

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-4494/1	Introduction Number SB-569
Description sales tax exemption for entertainment admission sales by nonprofit organizations	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
DOR/ Travis Arthur (608) 266-8565	Jamie Adams (608) 266-6785
Date	
9/30/2021	

Fiscal Estimate Narratives

DOR 9/30/2021

LRB Number	21-4494/1	Introduction Number	SB-569	Estimate Type	Original
Description sales tax exemption for entertainment admission sales by nonprofit organizations					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, if a nonprofit organization sells admissions to an event involving entertainment, the sales of those admissions are exempt from sales tax if the payment for entertainment is no more than \$10,000 or sales of tangible personal property occur on more than 75 days during the year or taxable receipts from such sales do not exceed \$50,000.

Under the bill, the payment threshold for entertainment is increased from \$10,000 to \$50,000.

Using FY 2021 department data, there were 807 nonprofit (NAICS 813- Religious, Grantmaking, Civic, Professional, and Similar Organizations) filers with taxable sales of less than \$50,000. Total sales tax collections from these filers was \$506,000.

The department does not have data regarding payment to entertainers. For illustrative purposes, assuming 10% of the taxes paid by nonprofits in FY 2021 was for entertainment exceeding \$10,000, sales tax collections are estimated to decrease by about \$50,600 ($\$506,000 * 10\%$) under the bill. To the extent additional filers outside of NAICS 813 are eligible for this exemption, the fiscal estimate could be larger.

County tax collections were 8.2% of state collections, assuming this share remains the same, county tax collections are estimated to decrease by about \$4,100 under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 21-4494/1		Introduction Number SB-569	
Description sales tax exemption for entertainment admission sales by nonprofit organizations			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$	\$	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$	\$See Text	
Agency/Prepared By		Authorized Signature	Date
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